

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Woodgate Post Office
Woodgate, New York

Docket No. A2011-70

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 7, 2011)

On September 13, 2011, the Postal Regulatory Commission (Commission) received a Petition for Review dated September 1, 2011 (the “appeal”) from the Woodgate citizens Committee and John B. Isley, William Karn, and Walter Paprock (“Petitioners”) that objected to the discontinuance of the Post Office at Woodgate, New York (“Woodgate”). On September 15, 2011, the Commission issued Order No. 854, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Petitioners filed a Participant Statement in support of the petition that was filed by the Commission on October 17, 2011, but the Commission received no additional written communications from customers of the Woodgate, Post Office. In accordance with Order No. 854, the administrative record was filed with the Commission on September 28, 2011.

Consistent with the Postal Service’s statutory obligations and Commission precedent,¹ these comments address the following categories of issues: (1) the impact on the provision of postal services, (2) the effect upon the community, (3) the calculation

¹ See 39 U.S.C. 404(d)(2)(A).

of economic savings expected to result from discontinuing the Woodgate Post Office, and (4) the effect upon employees. As reflected in the lengthy administrative record of this proceeding, the Postal Service gave the issues serious consideration. Accordingly, the determination to discontinue the Woodgate, New York Post Office should be affirmed.

Background

The Final Determination to Close the Woodgate Post Office and Continue to Provide Service by Rural Route Service ("Final Determination" or "FD"),² as well as the administrative record, indicate that the Woodgate Post Office provides EAS-11 level service to 96 delivery route customers and to 126 Post Office Box customers or general delivery customers. The office also provides retail service 43 hours per week.³ The Postmaster of the Woodgate Post Office retired on October 2, 2009 and was not replaced. Since the postmaster vacancy arose, an employee from a neighboring office was installed as an officer-in-charge ("OIC") to operate the office. The non-career postmaster relief ("PMR"), serving as the OIC, may be separated from the Postal Service. No other Postal Service employee will be adversely affected.⁴ The average number of daily retail window transactions at the Woodgate Post Office is 21, accounting for 25 minutes of retail workload daily. Revenue generally has been

² The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to "FD at ____," rather than to Item 47. The FD page number refers to the pages as marked on the upper left of the document. Other items in the administrative record are referred to as "Item ____."

³ FD at 2, 19; Item No. 18 at 3 and Item No. 42 at 1 (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"); Item No. 41, Proposal to Close the Woodgate, NY Post Office and Continue to Provide Service by Rural Route Service ("Proposal"), at 2, 19.

⁴ FD at 18; Item No. 41, Proposal, at 19.

declining: \$52,361 in FY 2008 (137 revenue units); \$45,198 in FY 2009 (118 revenue units); and \$35,957 (94 revenue units) in FY 2010.⁵

Upon implementation of the Final Determination, delivery and retail services will be provided by the Forestport Post Office, an EAS-15 level office located seven miles away; it has 431 available Post Office Boxes.⁶ This service will continue upon implementation of the Final Determination.⁷

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Woodgate Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Woodgate Post Office. Questionnaires were also available over the counter for retail customers at the Woodgate, Post Office.⁸ A letter from the Manager of Post Office Operations, Albany, New York, was also made available to postal customers. That letter advised customers that the Postal Service was evaluating whether the continued operation of the Woodgate Post Office was warranted, that effective and regular service could be provided through Rural Route delivery service, and that delivery and retail services were also available at the Forestport Post Office. The letter invited customers to complete

⁵ FD, at 2; Item No. 42, Post Office Fact Sheet, at 1; Item No. 41, Proposal, at 2.

⁶ FD at 2, 3; Item No. 42 at 1, Post Office Fact Sheet, at 1; Item No. 41, Proposal, at 2.

⁷ *Id.*

⁸ FD at 2; Item No. 41, Proposal, at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Woodgate Post Office, at 1.

and return a customer questionnaire, to express their opinions about the service they were receiving, and to identify any effects of a possible change involving rural route delivery.⁹ One hundred and two (102) customers returned questionnaires, and the Postal Service responded.¹⁰ In addition, representatives from the Postal Service were available at the Woodgate Post Office for a community meeting on May 12, 2011 to answer questions and provide information to customers.¹¹ On June 9, 2011 and June 28, 2011, congressional inquiries were also received concerning the closing of this Post Office.¹² On June 24, 2011, a petition was received with the signatures of 693 customers opposing the closure of the Woodgate Post Office. The petition was made part of the record and a response to the petition was furnished on June 27, 2011.¹³ Customers received formal notice of the Proposal and Final Determination through postings at the Woodgate facility. The Proposal was posted with an invitation for public comment at the Woodgate Post Office for 60 days beginning May 25, 2011.¹⁴ In

⁹ Item No. 21, Letter to Customer, at 1

¹⁰ FD at 2; Item No. 41, Proposal at 2 -18; Item No. 22 at 1-252 and Item No. 23 at 1-6, Returned customer questionnaires and Postal Service response); *See also*, Item No. 38 at 1-243a. The Petitioners claim that the Postal Service provided “computer generated responses” to community concerns and that it did so “in a callous fashion.” They further suggest that there was no independent inquiry made. However, the Administrative Record reflects that while some answers may be “standard” to the extent that these questions have been posed in other discontinuance dockets, the answers provided are responsive to the concerns raised. Moreover, the Postal Service notes that the record in this proceeding is very extensive, consisting of hundreds of customer comments, a 693 signature petition, congressional inquiries, and the Postal Service’s responses to customer feedback. Under these circumstances, criticism about the Postal Service’s failure to make an independent inquiry is simply not supported. The record is extensive and the decision was based upon consideration of extensive community input. FD at 1-16.

¹¹ FD at 2; Item No. 24 at 1-5 Community Meeting Roster; Item No. 25 at 1, Community Meeting Analysis; Item No. 41, Proposal, at 2.

¹² Item No. 28 at 1-9.

¹³ Item No. 27 at 1-49, Petition, response, and signatures.

¹⁴ FD at 2; Item No. 41, Proposal, at 2; Item No. 32, Invitation for Comments on the Proposal at 1. Item

responses to the “Invitation for Comments” after the Proposal was posted, many additional comments were received.¹⁵ The Final Determination was posted at the Woodgate Post Offices starting on August 24, 2011.¹⁶

In light of a postmaster vacancy; minimal workload; low and decreasing office revenue;¹⁷ the variety of delivery and retail options (including the convenience of rural delivery and retail service);¹⁸ minimal impact upon the community; and the expected financial savings,¹⁹ the Postal Service issued the Final Determination.²⁰ Regular and effective postal services will continue to be provided to the Woodgate community in a cost-effective manner upon implementation of the Final Determination.²¹

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Woodgate Post Office on postal services provided to Woodgate, NY customers. The closing is premised upon providing regular and effective postal services to Woodgate, NY customers.

36, 1-5, Round stamped copies of Proposal.

¹⁵ FD at 2 -17; Item No. 33, 1- 8; Item No. 38 at 1-243a; Item No. 40 at 1-10; Item No. 41 at 2-18; Item No. 38 at 1-243a.

¹⁶ Item No. 48 at 1.

¹⁷ See note 3 and accompanying text.

¹⁸ FD at 2, 47; Item No. 41, Proposal, at 2, 16-19.

¹⁹ FD at 16-19; Item No. 42, Post Office Fact Sheet, at 1; Item No. 41 at 17-19.

²⁰ FD at 19.

²¹ FD at 2.

In the Appeal and in the Participant Statement, the Petitioners, raise the issue of the effect on postal services of the Woodgate, NY Post Office's closing, by stating that the proposal will cause "substantial harm to users and to the community of Woodgate..." Petitioners also maintain that pages 191-242 of item 38 are missing from the record and that these pages reflect the injury to business activity in the community.

As an initial matter, the pages are included in the record. See *a/so* Item No. 38 at 243a. Consequently, the concerns expressed in those documents were part of the administrative record and contributed to Postal Service management's review. The letters basically consist of one standard letter, (found at pages 191-242 of item No. 38), the contents of which focus upon the high cost of fuel incurred in travelling to another Post Office and how this raises business costs. However, this issue was considered by the Postal Service. As explained throughout the administrative record, replacement service will be provided by rural route service. FD at 3. Rural route carriers can perform many functions (at the same time that the carrier delivers the mail) that will avert the need for customers to travel to a Post Office for most transactions. Customers do not have to make a special trip to the Post Office for service. Most transactions do not require meeting the carrier at the mailbox. FD at 15, specifically response to concern number 24; Item No.23, Customer Questionnaire Analysis, at 4; Item No. 41, Proposal, at 5, 7-10, 12, 14, 19.

The Petitioners also echo the concerns raised in letters in Item No. 38 to the effect that rural service will never be able to duplicate the convenience of a Post Office

in town.²² However, the Postal Service explained that non-postal services, as well as postal services, will continue to be available at the Forestport Office. FD at 2-16, 18-19. Further, the Postal Service's determination to close the Woodgate Post Office is based upon an analysis that takes into account "all available information into consideration" and in which "the advantages outweigh the disadvantages...." FD at 19. In other words, the Postal Service does not discount that there will be an impact, or even some possible disadvantages; it merely concludes that on balance, the discontinuance action is warranted. *Id.*

Upon the implementation of the Final Determination, delivery and retail services will be provided by rural route delivery emanating from the Forestport Post Office. In addition to rural delivery, customers may also receive postal services at the Forestport Post Office, which is located seven miles away. The window service hours of the Forestport Post Office are from 9:00 a.m. to 12:00 p.m., and 14:00 to 16:45 p.m., Monday through Friday and 9:30 a.m. to 11:00 a.m. on Saturday. FD, at 2; Item 42 at 1, Form 4920. Furthermore, the special attention and assistance provided by the personnel at the Woodgate Post Office will be provided by personnel at the Forestport Post Office and the carrier. FD at 16-17; Item No.41, Proposal, at 17.

²² Petitioners also express concern about obstruction of mailboxes in the wintertime due to accumulation of snow. While not directly addressed in the record, the Postal Service notes that safety of customer access is routinely considered in connection with curbside delivery. Specifically, Postal Operations Manual § 631.32 provides that:

Delivery may be provided to boxes at the curb so they can be safely and conveniently served by the carrier from the carrier's vehicle, and so that customers have reasonable and safe access. Mail receptacles may be grouped, two to a property line where possible.

Thus, the Postal Service has properly concluded that Woodgate customers will continue to receive regular and effective service via rural route delivery on the carrier's line of travel and through access to the Forestport Post Office.

Effect Upon the Woodgate Community

The Postal Service is obligated to consider the effect of its decision to close the Woodgate Post Office upon the Woodgate community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Woodgate is an unincorporated community located in Oneida County. Police protection is provided by the Ramsen State Police and Fire protection is provided by the Woodgate Fire Department. FD at 16; Item No.16 at 1-2, Community Survey Fact Sheet; Item No. 41, Proposal at 17. The questionnaires completed by Woodgate customers indicate that, in general, the retirees, self-employed, commuters and others who reside in Woodgate travel to nearby communities for work and other supplies and services. See *generally* FD at 16; Item No. 41, Proposal at 17; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 1-252.

Petitioners argue that the action to close the Woodgate Post Office reflects discrimination against rural communities which often lack "basic internet and cellular services and depend on their community post office for payment of bills, shipping, and providing a support system for the needy." Petitioners' statement at paragraph 7. The

record here, however, does not reflect that the Woodgate community at large lacks basic internet and cellular services. Moreover, the revenue trend shows considerable declines in usage patterns over the past three years, thereby suggesting that customers do, in fact, use alternatives to postal services. .

The Petitioners also allege that an environmental assessment was not made in accordance with the National Environmental Policy Act (NEPA). Petition for Review at paragraphs 4-5. Under 39 CFR 775.6(b)(15), a Post Office discontinuance action is categorically excluded from any requirement to complete a NEPA Environmental Assessment. Thus, due to the categorical exclusion, no further NEPA analysis was needed. .

Finally, the Petitioners express concern about the impact on the business and economic climate in the community. Petitioners also state that closing the Woodgate Post Office “will escalate the decline and destruction of rural communities['] social and economic functions.” This conclusion is not supported by the record. As discussed above, the questionnaire responses completed by Woodgate customers reflect that they will continue to support their local businesses. FD at 19, concern 6; Item No. 22, Returned customer questionnaires and Postal Service response letters, at 1-252 (see response to question five of the questionnaires). The record reflects that there are businesses and organizations in Woodgate (FD at 16; Item 41 at 17) and their active participation throughout this process reflects their vitality. The Postal Service also considered this issue when it responded to a concern posed by a customer who believed the closing would have a detrimental effect on the business community. FD at

19, concern 6. The Postal Service explained that the “questionnaire responses revealed that customers will continue to use local businesses if the post office is discontinued.” *Id.* In sum, the record simply does not support Petitioners’ conclusion.

The Postal Service also considered the impact of this closing on community identity. As the Postal Service stated in the record, a community’s identity derives from the interest and vitality of its residents and their use of its name. The record makes clear that the Postal Service is addressing this concern through preservation of the community identity by continuing the use of the Woodgate name and ZIP Code in addresses. FD at 17 (concern number 5); Item No.41, Proposal at 18; Item No. 23, Customer Questionnaire Analysis, at 3.

Communities generally require regular and effective postal services and these will continue to be provided to the Woodgate community. The demographic data collected reflects very nominal growth. No.16, Community Survey at 2. Workload at the Woodgate Post Office has declined. FD at 2, 19. There is no reason to believe that rural carrier service should not be able to handle any future growth in the community. In addition, non-postal services provided by the Woodgate Post Office are available at the Forestport Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 16-17; Item No.41, Proposal, at 17.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Woodgate Post Office on the community served by the Woodgate Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Woodgate Post Office and would still provide regular and effective service. FD at 18. The estimated annual savings associated with discontinuing the Woodgate Post Office is \$42,492. FD at 18; Item No. 42 at 19.

Economic factors are one of several factors that the Postal Service properly considered, and economic savings have been calculated as required for discontinuance studies, as noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). Item 17 at 1-2; Item No. 29 at 2; FD at 2,18-19; Item No. 41, Proposal, at 2, 19-20.

Petitioners question the economic savings and state that they did not have access to the financial data. The Postal Service's position is that facility-specific financial data, such as revenue and volume, is considered sensitive commercial information that may be withheld from mandatory disclosure under the Freedom of Information Act (FOIA). However, once a proposal to discontinue a Post Office is posted financial data relevant to the closing is included in the proposal and administrative record; both of which are available for public inspection and copying. See Item 41, proposal, at 2,19; Item Nos. 9-12; Item 17 at 1-2; Item No. 29 at 2; see also Handbook AS-101 § 334. Financial information was also specifically discussed in the FD

Petitioners also question why a career employee's salary was used in the calculation. The cost to operate the Woodgate Post Office is well documented in the record. Item No. 29 at 2. FD at 2, 18-19; Item Nos. 9-12; Item 17 at 1-2; Item No. 42 at 1. In this case, it was appropriate to use the salary of a career Postmaster in the calculation, because the position would ultimately have been filled by a career employee had the discontinuance action not been undertaken. Since this action eliminates a career position, it was appropriate to use a career employee's salary in the calculation.

Petitioners also question the cost of replacement service by rural carrier. However, the savings calculation takes into account that there are costs involved with extending rural route service. These costs are estimated at \$14,987.00. FD at 18-19. Item 41, proposal at 19.

Petitioners in this appeal question the consistency of this proposal with statutory authority in Title 39 providing that no small Post Office may be closed solely for operating at a deficit. Here, however, a variety of factors inform the decision to discontinue the Woodgate Post Office, including a postmaster vacancy; minimal workload; low and decreasing office revenue;²³ the variety of delivery and retail options (including the convenience of rural delivery and retail service);²⁴ minimal impact upon the community; and the expected financial savings.²⁵ Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must

²³ See note 3 and accompanying text.

²⁴ FD at 2, 47; Item No. 41, Proposal, at 2, 16-19.

²⁵ FD at 16-19; Item No. 42, Post Office Fact Sheet, at 1; Item No. 41 at 17-19.

consider whether such closing is consistent with the policy that the Postal Service provide “a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.” In this case, the Postal Service analyzed, among other factors, the Woodgate Post Office’s workload and revenue. The consideration of an office’s workload and revenue is not inconsistent with the policies of Title 39, however, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

Petitioners also comment that the closing of rural Post Offices are small in relation to the Postal Service’s entire budget. However, the Postal Service is charged with an obligation to promote efficiency of operations, and is doing so in this case by performing a thorough and balanced review of the Woodgate Post Office. The Postal Service is required to demonstrate that the closure of the specific Post Office under review will satisfy the criteria set forth in § 404(d), not whether the impact of closing a number of rural offices will have a large impact on the Postal Service’s financial situation. In this case, the Postal Service has determined that rural route service is the most cost-effective solution for providing regular and effective service to the Woodgate community.

The Postal Service’s estimates are supported by record evidence, in accordance with the Postal Service’s statutory obligations. The Postal Service, therefore, has

considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on October 2, 2009. A non-career employee from a neighboring office was installed as the temporary officer-in-charge (OIC). The non-career PMR serving as the OIC may be separated from the Postal Service. The record shows that no other employee would be affected by this closing. FD at 18-19; Item No. 41, Proposal, at 19. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Woodgate Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Woodgate Post Office on the provision of postal services and on the Woodgate community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to

provide effective and regular service to Woodgate customers. FD at 2, 16-19. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Woodgate Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Woodgate Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno
Chief Counsel, Global Business & Service
Development

Shoshana O. Epstein
Attorney

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-2064; Fax -6279
Shoshana.o.epstein@usps.gov